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May 23, 2001

Honorable Phillip N. Asprodites Commissioner of Conservation Department of Natural Resources Office of Conservation P. O. Box 94275 Baton Rouge, Louisiana 70804-9275

> RE: Amphistegina B-1 Sand, Reservoir B Amphistegina B-3 Sand, Reservoir A HOG BAYOU FIELD

Cameron Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Phillips Petroleum Company to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters relating to the Amphistegina B-1 Sand, Reservoir B, and the Amphistegina B-3 Sand, Reservoir A, in the Hog Bayou Field, Cameron Parish, Louisiana.

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Amphistegina B-1 Sand, Reservoir B, and the production of oil and gas from the Amphistegina B-3 Sand, Reservoir A, in the Hog Bayou Field, Cameron Parish, Louisiana.
- 2. To create a single drilling and production unit for these sands and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created.
- 3. To designate a unit operator, a unit well and four alternate unit wells for the Amphistegina B-1 Sand, Reservoir B.
- 4. To designate a unit operator, a unit well and five alternate unit wells for the Amphistegina B-3 Sand, Reservoir A.
- 5. To provide that the operator of the Amphistegina B-1 Sand, Reservoir B and the Amphistegina B-3 Sand, Reservoir A, can produce the unit allowable from the unit well, the alternate unit well(s) or any combination thereof.
- 6. To provide that any existing wells, future wells, replacement and/or alternate unit wells drilled to the Amphistegina B-1 Sand, Reservoir B, and the Amphistegina B-3 Sand, Reservoir A should be exempt from the spacing provisions of Statewide Order No. 29-E.
- 7. To provide that the Commissioner may reclassify the Reservoirs by supplemental orders and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
 - 8. To discuss any other matters that may be pertinent to this application.

The Amphistegina B-1 Sand, Reservoir B, in the Hog Bayou Field, Cameron Parish, Louisiana, is hereby defined as that gas and condensate bearing sand encountered between the depths of 8,370' and 8,394' (electrical log measurements) in the Amerada Hess Corporation (formerly LLOG) - S/L 16475 No. 3 Well, located in Offshore Cameron Parish, Louisiana.

The Amphistegina B-3 Sand, Reservoir A, in the Hog Bayou Field, Cameron Parish, Louisiana, is hereby defined as that oil and gas bearing sand encountered between the depths of 8,416' and 8,444' (electrical log measurements) in the Amerada Hess Corporation (formerly LLOG) - S/L 16475 No. 3 Well, located in offshore Cameron Parish, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for <u>POSTING</u> of the legal notice of the hearing and unit plats in a prominent place in the area of the Hog Bayou Field, Cameron Parish, Louisiana, and will cause the legal notice of the hearing to be <u>PUBLISHED</u> in a newspaper of general circulation published in the vicinity of the Hog Bayou Field, Cameron Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained AT THE COST OF THE REQUESTING PARTY, from Mr. Jim Degraffenreid with Amerada Hess Corporation at 713-609-5875.

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on May 23, 2001, at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. Bill McAlister., representing Phillips Petroleum Company, concerning the nature and purpose of the conference and the bases for the applicant's proposed units.

The units have been revised due to the release of pertinent data. There was a question and answer period after which the meeting was adjourned.

There are attached hereto and made a part hereof revised plats outlining the proposed units, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished <u>ONLY</u> to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said list of parties will be provided to any party requesting a copy. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Phillips Petroleum Company, in the sum of \$1400.00 payable to the Office of Conservation and representing the required hearing application fee.

LEON E. COMEAUX & ASSOCIATES

Bill McAlister, Jr.

BMjr/cu
Enclosures
cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road
Brandywine III, Ste. 220
Lafayette, LA 70508-4284

Interested Parties, Interested
Owners and Represented Parties



